

# Court: Rewald Need Post Only \$20,000 Cash Bail

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After three months in prison, Ronald Rewald faced the prospect of freedom today with a Supreme Court victory lowering his bail and news of "out-of-town" visitors willing to pay it.

The state Supreme Court ruled yesterday that Rewald could gain freedom by posting only \$20,000 in cash, one-tenth of the bail level set last month by Circuit Judge Robert W.B. Chang.

The high court kept Rewald's bail at the \$200,000 level but ruled that he need not post it entirely in cash, as Chang had ordered. Instead, the justices ruled that Rewald may post \$20,000 in cash and have a bail bondsman insure the remainder.

"I have a feeling now that he's going to come up with the \$20,000," said Deputy City Prosecutor Arthur Ross.

Ross said he plans to ask the Supreme Court to reconsider its ruling.

Rewald is charged with two counts of first-degree theft stemming from activities in the now-bankrupt investment firm of Bishop, Baldwin, Rewald, Dillingham & Wong.

HE HAS BEEN imprisoned since his arrest on Aug. 8 at Queen's Hospital, where he had been recovering from wrist slashes inflicted in a suicide attempt. Chang set his bail the following day at \$10 million but lowered it on Oct. 24 at his attorney's request.

Although Rewald claims property worth more than \$4 million, all his assets have been frozen in federal bankruptcy proceedings involving his now-defunct investment firm.

His criminal attorney, Samuel P. King Jr., and civil attorney, Robert Smith, would not speculate on whether Rewald would be able to post bond.

However, Smith acknowledged in court questioning by Ross that he was contacted last weekend by people interested in posting his bond.

Ross said he had learned about the "visitors from out of town" through a Honolulu bail bond company. He said he was told that the benefactors "were told to wait for the Supreme Court" to rule on the matter.

"We know that some people are in town inquiring about it," Ross told Chang.

Smith said in court that he was contacted by "people who are willing to put up their own money" for Rewald's bail.

QUESTIONED BY reporters, Smith would not disclose who contacted him, but said there is "a widespread group of people who believe in Mr. Rewald."

King said he had not been contacted by people interested in posting Rewald's bond.

"I don't know anything about that," King told reporters. "They didn't contact me."

The Supreme Court ruling was announced by Chang near the close of a hearing before him on

a request by Ross to increase Rewald's bail to \$500,000 in cash.

Ross said his court request was prompted by disclosure of a Sept. 9 letter by Smith to Sovereign Life Insurance Co. predicting that Rewald would "take his own life" if Sovereign and Northwestern Mutual Life Insurance Co. were to refuse to pay for his court defense.

At the time, Rewald's life was insured for \$2 million with Sovereign and more than \$3.2 million with Northwestern.

Admitting in the letter that the proposal was "bizarre," Smith maintained that it made "ultimate economic sense" because of the prospect of Rewald committing suicide and the insurance companies having to pay the insurance money to his family.

IF REWALD were unable to "pursue" a defense because of lack of money, Smith said in the letter, "Mr. Rewald will take his own life. I say this to a moral certainty, for I know that he is

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absolutely committed to doing so when the point is reached that legal effort to defend him must be abandoned.

"Given the freeze order on his personal assets and given, further, the total lack of ability to finance any defense because of the freeze order," Smith wrote, "suicide is the only way, he (Rewald) feels, that he can ever provide for his wife and five children."

Smith said he felt at the time that Rewald "was making a logical and calculated decision" to commit suicide for his family's financial support.

Smith said he learned of Rewald's commitment during "a blood-curdling conversation" with him.

"He had no way to provide for his wife and children other than to take his life," Smith said.

Smith said Rewald had set a "deadline" for committing suicide unless money was freed for his defense, and he "was going to

meet that deadline in the most drastic of ways."

REWALD CHANGED his mind after the letter was written, Smith said, because his two Sovereign policies and one of his two Northwestern policies lapsed. The other Northwestern policy will lapse on Tuesday, he said.

Also, he said, Rewald became convinced that any proceeds from life insurance policies would go to Bishop, Baldwin investors instead of his family.

There is only "an outside chance" that any proceeds of the still-valid Northwestern policy would go to Rewald's family if he were to kill himself, Smith said.

"His decision is not to do it," Smith said.

"I think his staying and fighting is the only way he can help himself and his wife and his family," Smith added. He said Rewald now "has a very strong grip on his life."

However, in asking Chang to

set a higher bail, Ross suggested that Rewald has "an attitude somewhat like a kamikaze pilot." If he does not commit suicide, Ross warned, there is a "strong possibility of (Rewald) fleeing."

Chang agreed with Ross that Rewald "would go to any length to do what he can for his family," but he refused to change Rewald's bail. The judge made that ruling before he got word of the high court's decision on the bail issue.